

House Study Bill 686

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON ELGIN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to public retirement systems and providing
2 effective and applicability dates.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5334YC 80
5 ec/sh/8

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1 1 DIVISION I
1 2 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
1 3 ACCIDENT, AND DISABILITY SYSTEM
1 4 Section 1. Section 97A.4, Code 2003, is amended by adding
1 5 the following new unnumbered paragraph:
1 6 NEW UNNUMBERED PARAGRAPH. Upon application by the member,
1 7 the board of trustees shall credit as service for a member of
1 8 the system a previous period of service as a member of a city
1 9 fire retirement system and police retirement system operating
1 10 under chapter 411 prior to January 1, 1992, for which service
1 11 was not eligible to be transferred to this system pursuant to
1 12 section 97A.17.
1 13 DIVISION II
1 14 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)
1 15 Sec. 2. Section 97B.1A, Code Supplement 2003, is amended
1 16 by adding the following new subsections:
1 17 NEW SUBSECTION. 10A. "Final average salary" means the
1 18 greater of the following:
1 19 a. A member's three-year average covered wage calculated
1 20 as of June 30, 2004, if applicable.
1 21 b. A member's five-year average covered wage.
1 22 NEW SUBSECTION. 11A. a. "Five-year average covered wage"
1 23 means, for a member who retires prior to July 1, 2008, a
1 24 member's covered wages averaged for the highest five years of
1 25 the member's service, except as otherwise provided in this
1 26 subsection. The highest five years of a member's covered
1 27 wages shall be determined using calendar years. However, if a
1 28 member's final quarter of a year of employment does not occur
1 29 at the end of a calendar year, the system may determine the
1 30 wages for the fifth year by computing the average quarter of
1 31 all quarters from the member's highest calendar year of
1 32 covered wages not being used in the selection of the four
1 33 highest years and using the computed average quarter for each
1 34 quarter in the fifth year in which no wages have been reported
1 35 in combination with the final quarter or quarters of the
2 1 member's service to create a full year. However, the system
2 2 shall not use the member's final quarter of wages if using
2 3 that quarter would reduce the member's five-year average
2 4 covered wage. Notwithstanding any other provision of this
2 5 paragraph to the contrary, a member's wages for the fifth year
2 6 as computed by this paragraph shall not exceed, by more than
2 7 three percent, the member's highest actual calendar year of
2 8 covered wages.
2 9 b. "Five-year average covered wage" means, for a member
2 10 who retires on or after July 1, 2008, the greater of the
2 11 member's covered wages averaged for a member's highest twenty
2 12 consecutive quarters of service or the member's covered wages
2 13 averaged for a member's highest five calendar years of
2 14 service. The system shall adopt rules to implement this
2 15 paragraph in accordance with the requirements of this chapter
2 16 and the federal Internal Revenue Code.
2 17 Sec. 3. Section 97B.1A, subsection 22, Code Supplement
2 18 2003, is amended to read as follows:

2 19 22. "Special service" means service for an employer while
2 20 employed in a protection occupation as provided in section
2 21 97B.49B, and as a county sheriff, ~~or deputy sheriff, or~~
2 22 ~~airport fire fighter~~ as provided in section 97B.49C.

2 23 Sec. 4. Section 97B.11, Code Supplement 2003, is amended
2 24 to read as follows:
2 25 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.
2 26 1. Each employer shall deduct from the wages of each
2 27 member of the retirement system a contribution in the amount
2 28 of ~~three and seven-tenths percent~~ the applicable employee
2 29 percentage of the covered wages paid by the employer, until
2 30 the member's termination from employment. The contributions
2 31 of the employer shall be in the amount of ~~five and seventy-~~
2 32 ~~five hundredths percent~~ the applicable employer percentage of
2 33 the covered wages of the member.

2 34 2. For purposes of this section, the "applicable employee
2 35 percentage" is as follows:
3 1 a. Prior to July 1, 2004, ~~three and seven-tenths percent.~~
3 2 b. Beginning on or after July 1, 2004, but before July 1,
3 3 2005, ~~four and two-tenths percent.~~
3 4 c. Beginning on or after July 1, 2005, but before July 1,
3 5 2006, ~~four and seven-tenths percent.~~
3 6 d. Beginning on or after July 1, 2006, but before July 1,
3 7 2007, ~~five and two-tenths percent.~~
3 8 e. Beginning on or after July 1, 2007, but before July 1,
3 9 2008, ~~five and seven-tenths percent.~~
3 10 f. Beginning on or after July 1, 2008, but before July 1,
3 11 2009, ~~six and two-tenths percent.~~
3 12 g. Beginning on or after July 1, 2009, but before July 1,
3 13 2010, ~~six and seven-tenths percent.~~
3 14 h. Beginning on or after July 1, 2010, fifty percent of
3 15 the total required percentage.

3 16 3. For purposes of this section, the "applicable employer
3 17 percentage" is as follows:
3 18 a. Prior to July 1, 2008, ~~five and seventy-five hundredths~~
3 19 ~~percent.~~
3 20 b. Beginning on or after July 1, 2008, but before July 1,
3 21 2009, ~~six and two-tenths percent.~~
3 22 c. Beginning on or after July 1, 2009, but before July 1,
3 23 2010, ~~six and seven-tenths percent.~~
3 24 d. Beginning on or after July 1, 2010, fifty percent of
3 25 the total required percentage.

3 26 4. For purposes of this section, the "total required
3 27 percentage" means the total of the applicable employee
3 28 percentage and the applicable employer percentage for the
3 29 prior fiscal year unless any of the following applies:
3 30 a. If the system determines, based upon the most recent
3 31 actuarial valuation of the retirement system, that the total
3 32 required percentage for the prior fiscal year is insufficient
3 33 to amortize the unfunded actuarial liability of the retirement
3 34 system within thirty years, the total required percentage for
3 35 the next fiscal year shall be the lesser, as determined by the
4 1 system's actuary, of the percentage rate needed to amortize
4 2 the unfunded actuarial liability of the retirement system in
4 3 thirty years or a percentage rate equal to one percentage
4 4 point over the total required percentage for the prior fiscal
4 5 year.
4 6 b. If the system determines, based upon the most recent
4 7 actuarial valuation of the retirement system, that the total
4 8 required percentage for the prior fiscal year is sufficient to
4 9 amortize the unfunded actuarial liability of the retirement
4 10 system within ten years or less, the total required percentage
4 11 for the next fiscal year shall be the greater, as determined
4 12 by the system, of the following:
4 13 (1) One percentage point less than the total required
4 14 percentage for the prior fiscal year.
4 15 (2) The percentage rate equal to the normal cost rate to
4 16 pay benefits provided under this chapter plus that percentage
4 17 necessary, but in no event less than seventy-five hundredths
4 18 of one percent, to amortize any unfunded actuarial liability
4 19 of the retirement system within ten years.

4 20 The calculation of the total required percentage as
4 21 provided by this subsection shall be done by the system based
4 22 upon the most recent actuarial valuation of the retirement
4 23 system by the system's actuary.

4 24 Sec. 5. Section 97B.42, Code Supplement 2003, is amended
4 25 by adding the following new unnumbered paragraphs:
4 26 NEW UNNUMBERED PARAGRAPH. Notwithstanding any other
4 27 provision of this section, commencing July 1, 2005, a member
4 28 who is employed by a school district or area education agency
4 29 as an elementary or secondary school teacher may elect

4 30 coverage under the eligible alternative retirement benefits
4 31 system as provided in section 294.17, in lieu of continuing or
4 32 commencing contributions to the Iowa public employees'
4 33 retirement system. However, the employer's and employee's
4 34 annual contribution in dollars to the eligible alternative
4 35 retirement benefits system shall equal, but not exceed, the
5 1 annual contribution in dollars which the employer and employee
5 2 would contribute if the employee had elected to remain an
5 3 active member under this chapter, as set forth in section
5 4 97B.11. A member who elects coverage under the eligible
5 5 alternative retirement benefits system as provided by this
5 6 paragraph may withdraw the member's accumulated contributions
5 7 effective when coverage under the eligible alternative
5 8 retirement benefits system commences. A member who is
5 9 employed by a school district or area education agency as an
5 10 elementary or secondary school teacher prior to July 1, 2005,
5 11 must file an election for coverage under the eligible
5 12 alternative retirement benefits system described in section
5 13 294.17, with the system and the employing school district or
5 14 area education agency within eighteen months of the first day
5 15 on which coverage commences under the eligible alternative
5 16 retirement benefits system described in section 294.17, or the
5 17 employee shall remain a member under this chapter and shall
5 18 not be eligible to elect to participate in the eligible
5 19 alternative retirement benefits system at a later date. A
5 20 person hired on or after July 1, 2005, by a school district or
5 21 area education agency as an elementary or secondary school
5 22 teacher must file an election for coverage under the eligible
5 23 alternative retirement benefits system with the system and the
5 24 employing school district or area education agency within
5 25 sixty days of commencing employment, or the employee shall
5 26 remain a member under this chapter and shall not be eligible
5 27 to elect to participate in the eligible alternative retirement
5 28 benefits system at a later date. The system shall cooperate
5 29 with the state board of education and with applicable school
5 30 districts and area education agencies to facilitate the
5 31 implementation of this provision.

5 32 NEW UNNUMBERED PARAGRAPH. Notwithstanding any other
5 33 provision of this section, commencing July 1, 2005, a member
5 34 who is employed by a public hospital as defined in section
5 35 249I.3 may elect coverage under the eligible alternative
6 1 retirement benefits system as provided in section 347.14 or
6 2 392.6, in lieu of continuing or commencing contributions to
6 3 the Iowa public employees' retirement system. However, the
6 4 employer's and employee's annual contribution in dollars to
6 5 the eligible alternative retirement benefits system shall
6 6 equal, but not exceed, the annual contribution in dollars
6 7 which the employer and employee would contribute if the
6 8 employee had elected to remain an active member under this
6 9 chapter, as set forth in section 97B.11. A member who elects
6 10 coverage under the eligible alternative retirement benefits
6 11 system as provided by this paragraph may withdraw the member's
6 12 accumulated contributions effective when coverage under the
6 13 eligible alternative retirement benefits system commences. A
6 14 member who is employed by a public hospital prior to July 1,
6 15 2005, must file an election for coverage under the eligible
6 16 alternative retirement benefits system described in section
6 17 347.14 or 392.6, with the system and the employing public
6 18 hospital within eighteen months of the first day on which
6 19 coverage commences under the eligible alternative retirement
6 20 benefits system described in section 347.14 or 392.6, or the
6 21 employee shall remain a member under this chapter and shall
6 22 not be eligible to elect to participate in the eligible
6 23 alternative retirement benefits system at a later date. A
6 24 person hired on or after July 1, 2005, by a public hospital
6 25 must file an election for coverage under the eligible
6 26 alternative retirement benefits system with the system and the
6 27 employing public hospital within sixty days of commencing
6 28 employment, or the employee shall remain a member under this
6 29 chapter and shall not be eligible to elect to participate in
6 30 the eligible alternative retirement benefits system at a later
6 31 date. In addition, an election by a member to participate in
6 32 an alternative retirement benefits system as provided by this
6 33 paragraph shall be irrevocable and the member shall not be
6 34 eligible to elect coverage under this chapter while employed
6 35 by a public hospital in this state that has made an
7 1 alternative retirement benefits system available. The system
7 2 shall cooperate with boards of trustees of public hospitals
7 3 authorized to offer an eligible alternative retirement
7 4 benefits system to facilitate the implementation of this
7 5 provision.

7 6 Sec. 6. Section 97B.42A, Code Supplement 2003, is amended
7 7 by adding the following new subsection:
7 8 NEW SUBSECTION. 6. A person who is employed in a position
7 9 as an employee as defined in section 97B.1A, subsection 8,
7 10 paragraph "a", subparagraph (7), on July 1, 2004, and who has
7 11 elected out of coverage under this chapter prior to that date,
7 12 shall not become a member under the retirement system on July
7 13 1, 2004, unless, on or before August 31, 2004, the person
7 14 files an application with appropriate documentation to elect
7 15 coverage under this chapter. If a person elects coverage
7 16 under this chapter, the period of time from July 1, 2004,
7 17 until the date the person's election of coverage is effective
7 18 shall not constitute service for purposes of coverage under
7 19 this chapter. A decision to elect coverage under this chapter
7 20 under this subsection is irrevocable upon approval from the
7 21 system.

7 22 A person who becomes a member of the Iowa public employees'
7 23 retirement system pursuant to this subsection, and who has one
7 24 or more years of covered wages, may purchase credit, pursuant
7 25 to section 97B.80C, for one or more quarters of service prior
7 26 to July 1, 2004, in which the person was employed in a
7 27 position as described by section 97B.1A, subsection 8,
7 28 paragraph "a", subparagraph (7), but was not a member of the
7 29 retirement system.

7 30 Sec. 7. Section 97B.49A, subsection 3, Code Supplement
7 31 2003, is amended to read as follows:

7 32 3. CALCULATION OF MONTHLY ALLOWANCE. For each active or
7 33 inactive vested member retiring on or after July 1, 1994, with
7 34 four or more complete years of service, a monthly benefit
7 35 shall be computed which is equal to one-twelfth of an amount
8 1 equal to the applicable percentage of the ~~three-year average~~
8 2 ~~covered wage member's final average salary~~ multiplied by a
8 3 fraction of years of service. However, if benefits under this
8 4 section commence on an early retirement date, the amount of
8 5 the benefit shall be reduced in accordance with section
8 6 97B.50.

8 7 Sec. 8. Section 97B.49B, subsection 1, paragraph c, Code
8 8 Supplement 2003, is amended to read as follows:

8 9 c. "Eligible service" means membership and prior service
8 10 in a protection occupation. In addition, for a member with
8 11 membership and prior service in a protection occupation
8 12 described in paragraph "e", subparagraph (2), eligible service
8 13 includes membership and prior service as a sheriff, or deputy
8 14 sheriff, ~~or airport fire fighter~~ as defined in section
8 15 97B.49C.

8 16 Sec. 9. Section 97B.49B, subsection 1, paragraph e, Code
8 17 Supplement 2003, is amended by adding the following new
8 18 subparagraphs:

8 19 NEW SUBPARAGRAPH. (8) An airport fire fighter employed by
8 20 the military division of the department of public defense.

8 21 NEW SUBPARAGRAPH. (9) An employee covered by the merit
8 22 system as provided in chapter 8A, subchapter IV, whose primary
8 23 duty is providing security at Iowa national guard
8 24 installations and facilities and who carries or is licensed to
8 25 carry a firearm while performing those duties.

8 26 NEW SUBPARAGRAPH. (10) A jailer or detention officer who
8 27 performs duties as a jailer, including but not limited to the
8 28 transportation of inmates, is certified as having completed
8 29 jailer training pursuant to chapter 80B, and is employed by a
8 30 county as a jailer.

8 31 Sec. 10. Section 97B.49B, subsection 2, Code Supplement
8 32 2003, is amended to read as follows:

8 33 2. CALCULATION OF MONTHLY ALLOWANCE. Notwithstanding
8 34 other provisions of this chapter, a member who is or has been
8 35 employed in a protection occupation who retires on or after
9 1 July 1, 1994, and at the time of retirement is at least fifty-
9 2 five years of age may elect to receive, in lieu of the receipt
9 3 of any benefits as calculated pursuant to section 97B.49A or
9 4 97B.49D, a monthly retirement allowance equal to one-twelfth
9 5 of an amount equal to the applicable percentage of the ~~three-~~
9 6 ~~year average covered wage member's final average salary~~ as a
9 7 member who has been employed in a protection occupation
9 8 multiplied by a fraction of years of service, with benefits
9 9 payable during the member's lifetime.

9 10 Sec. 11. Section 97B.49B, subsection 3, paragraph b, Code
9 11 Supplement 2003, is amended by adding the following new
9 12 subparagraph:

9 13 NEW SUBPARAGRAPH. (7) For the fiscal year commencing July
9 14 1, 2004, and each succeeding fiscal year, there is
9 15 appropriated from the general fund of the state to the system,
9 16 from funds not otherwise appropriated, an amount necessary to

9 17 pay the employer share of the cost of the additional benefits
9 18 provided to airport fire fighters under this section.

9 19 Sec. 12. Section 97B.49B, subsection 4, Code Supplement
9 20 2003, is amended to read as follows:

9 21 4. Notwithstanding any provision of this chapter to the
9 22 contrary, the ~~three-year average covered wage~~ final average
9 23 salary for a member retiring under this section whose years of
9 24 eligible service equals or exceeds twenty-two years of
9 25 eligible service for that member shall be determined by
9 26 calculating the member's eligible combined wage for each year
9 27 of eligible service. For purposes of this subsection,
9 28 "eligible combined wage" means the wages earned by the member
9 29 for each quarter year period from eligible service and from
9 30 covered employment that is not eligible service if at least
9 31 seventy-five percent of the wages earned was from eligible
9 32 service.

9 33 Sec. 13. Section 97B.49C, subsection 1, paragraph a, Code
9 34 Supplement 2003, is amended by striking the paragraph.

9 35 Sec. 14. Section 97B.49C, subsection 1, paragraph d, Code
10 1 Supplement 2003, is amended to read as follows:

10 2 d. "Eligible service" means membership and prior service
10 3 as ~~an airport fire fighter, a sheriff, and deputy sheriff~~
10 4 under this section. In addition, eligible service includes
10 5 membership and prior service as a marshal in a city not
10 6 covered under chapter 400 or a fire fighter or police officer
10 7 of a city not participating in the retirement systems
10 8 established in chapter 410 or 411, and as an airport fire
10 9 fighter prior to July 1, 1994.

10 10 Sec. 15. Section 97B.49C, subsection 2, Code Supplement
10 11 2003, is amended to read as follows:

10 12 2. CALCULATION OF MONTHLY ALLOWANCE.

10 13 a. Notwithstanding other provisions of this chapter, a
10 14 member who retires from employment as a sheriff, deputy
10 15 sheriff, or airport fire fighter on or after July 1, 1994, and
10 16 before July 1, 2004, and at the time of retirement is at least
10 17 fifty-five years of age may elect to receive, in lieu of the
10 18 receipt of any benefits as calculated pursuant to section
10 19 97B.49A or 97B.49D, a monthly retirement allowance equal to
10 20 one-twelfth of an amount equal to the applicable percentage of
10 21 the three-year average covered wage as a member who has been
10 22 employed in eligible service multiplied by a fraction of years
10 23 of service, with benefits payable during the member's
10 24 lifetime.

10 25 b. Notwithstanding other provisions of this chapter, a
10 26 member who retires from employment as a sheriff or deputy
10 27 sheriff on or after July 1, 2004, and at the time of
10 28 retirement is at least fifty years of age may elect to
10 29 receive, in lieu of the receipt of any benefits as calculated
10 30 pursuant to section 97B.49A or 97B.49D, a monthly retirement
10 31 allowance equal to one-twelfth of an amount equal to the
10 32 applicable percentage of the member's final average salary as
10 33 a member who has been employed in eligible service multiplied
10 34 by a fraction of years of service, with benefits payable
10 35 during the member's lifetime.

11 1 Sec. 16. Section 97B.49C, subsection 3, paragraph a, Code
11 2 Supplement 2003, is amended to read as follows:

11 3 a. Annually, the system shall actuarially determine the
11 4 cost of the additional benefits provided for members covered
11 5 under this section as a percentage of the covered wages of the
11 6 employees covered by this section. ~~Sixty~~ Fifty percent of the
11 7 cost shall be paid by the employers of employees covered under
11 8 this section and ~~forty~~ fifty percent of the cost shall be paid
11 9 by the employees. The employer and employee contributions
11 10 required under this paragraph are in addition to the
11 11 contributions paid under sections 97B.11 and 97B.11A.
11 12 ~~However, the cost of including service as an airport fire~~
11 13 ~~fighter prior to July 1, 1994, as eligible service under this~~
11 14 ~~section shall not affect the contribution rates calculated and~~
11 15 ~~paid by the member or the employer under this section.~~

11 16 Sec. 17. Section 97B.49C, subsection 3, paragraph b, Code
11 17 Supplement 2003, is amended to read as follows:

11 18 b. (1) Annually, during each fiscal year commencing with
11 19 the fiscal year beginning July 1, 1988, each county shall pay
11 20 to the system the amount necessary to pay the employer share
11 21 of the cost of the additional benefits provided to sheriffs
11 22 and deputy sheriffs.

11 23 (2) ~~For the fiscal year commencing July 1, 1994, and each~~
11 24 ~~succeeding fiscal year, there is appropriated from the general~~
11 25 ~~fund of the state to the system, from funds not otherwise~~
11 26 ~~appropriated, an amount necessary to pay the employer share of~~
11 27 ~~the cost of the additional benefits provided to airport fire~~

~~11 28 fighters under this section.~~

11 29 Sec. 18. Section 97B.49C, subsection 4, Code Supplement
11 30 2003, is amended to read as follows:

11 31 4. Notwithstanding any provision of this chapter to the
11 32 contrary, the ~~three-year average covered wage~~ final average
11 33 salary for a member retiring under this section whose years of
11 34 eligible service equals or exceeds twenty-two years of
11 35 eligible service for that member shall be determined by
12 1 calculating the member's eligible combined wage for each
12 2 quarter year of eligible service. For purposes of this
12 3 subsection, "eligible combined wage" means the wages earned by
12 4 the member for each quarter year period from eligible service
12 5 and from covered employment that is not eligible service if at
12 6 least seventy-five percent of the wages earned was from
12 7 eligible service.

12 8 Sec. 19. Section 97B.49D, subsection 1, paragraphs a, b,
12 9 and c, Code Supplement 2003, are amended to read as follows:

12 10 a. One-twelfth of an amount equal to the applicable
12 11 percentage of the member's ~~three-year average covered wage~~
12 12 final average salary multiplied by a fraction of years of
12 13 service. The fraction of years of service for purposes of
12 14 this paragraph shall be the actual years of service, not to
12 15 exceed thirty, for which regular service contributions were
12 16 made, divided by thirty. However, any otherwise applicable
12 17 age reduction for early retirement shall apply to the
12 18 calculation under this paragraph.

12 19 b. One-twelfth of an amount equal to the applicable
12 20 percentage of the member's ~~three-year average covered wage~~
12 21 final average salary multiplied by a fraction of years of
12 22 service. The fraction of years of service for purposes of
12 23 this paragraph shall be the actual years of service, not to
12 24 exceed the applicable years of service for the member as
12 25 defined in section 97B.49B, earned in a position described in
12 26 section 97B.49B, for which special service contributions were
12 27 made, divided by the applicable years of service for the
12 28 member as defined in section 97B.49B. In calculating the
12 29 fractions of years of service under the paragraph, a member
12 30 shall not receive special service credit for years of service
12 31 for which the member and the member's employer did not make
12 32 the required special service contributions to the system.

12 33 c. One-twelfth of an amount equal to the applicable
12 34 percentage of the member's ~~three-year average covered wage~~
12 35 final average salary multiplied by a fraction of years of
13 1 service. The fraction of years of service for purposes of
13 2 this paragraph shall be the actual years of service, not to
13 3 exceed twenty-two, earned in a position described in section
13 4 97B.49C, for which special service contributions were made,
13 5 divided by twenty-two. In calculating the fractions of years
13 6 of service under this paragraph, a member shall not receive
13 7 special service credit for years of service for which the
13 8 member and the member's employer did not make the required
13 9 special service contributions to the system.

13 10 Sec. 20. Section 97B.50, subsection 1, Code Supplement
13 11 2003, is amended to read as follows:

13 12 1. Except as otherwise provided in this section, a vested
13 13 member who is at least fifty-five years of age, upon
13 14 retirement prior to the normal retirement date for that
13 15 member, is entitled to receive a monthly retirement allowance
13 16 determined in the same manner as provided for normal
13 17 retirement in sections 97B.49A, 97B.49E, and 97B.49G, reduced
13 18 ~~as follows by the lesser of the following:~~

13 19 a. ~~For a member who is less than sixty-two years of age,~~
~~13 20 by twenty-five~~ Twenty-five hundredths of one percent per month
13 21 for each month that the ~~early retirement date~~ July 2004
13 22 precedes the member's normal retirement date.

13 23 b. ~~For a member who is at least sixty-two years of age and~~
~~13 24 who has not completed twenty years of membership service and~~
~~13 25 prior service, by twenty-five hundredths of one percent per~~
~~13 26 month~~ The actuarial cost to the system for each month that the
13 27 member's early retirement date precedes the member's normal
13 28 retirement date.

13 29 Sec. 21. Section 97B.50A, subsection 1, paragraph c, Code
13 30 Supplement 2003, is amended to read as follows:

13 31 c. "Reemployment comparison amount" means an amount equal
13 32 to the current covered wages of an active special service
13 33 member at the same position on the salary scale within the
13 34 rank or position the member held at the time the member
13 35 received a disability retirement allowance pursuant to this
14 1 section. If the rank or position held by the member at the
14 2 time of retirement pursuant to this section is abolished, the
14 3 amount shall be computed by the system as though the rank or

14 4 position had not been abolished and salary increases had been
14 5 granted on the same basis as granted to other ranks or
14 6 positions by the former employer of the member. The
14 7 reemployment comparison amount shall not be less than the
14 8 ~~three-year average covered wage~~ final average salary of the
14 9 member, based on all regular and special service covered under
14 10 this chapter.

14 11 Sec. 22. Section 97B.50A, subsection 2, paragraph c, Code
14 12 Supplement 2003, is amended to read as follows:

14 13 c. Disease under this subsection ~~shall mean~~ means heart
14 14 disease or any disease of the lungs or respiratory tract ~~and~~
~~14 15 shall be presumed to have been.~~ A rebuttable presumption
14 16 arises that the disease was contracted while on active duty as
14 17 a result of strain, exposure, or the inhalation of noxious
14 18 fumes, poison, or gases. However, if a person's special
14 19 service membership in the retirement system first commenced on
14 20 or after July 1, 2000, and the heart disease or disease of the
14 21 lungs or respiratory tract would not exist, but for a medical
14 22 condition that was known to exist on the date that special
14 23 service membership commenced, the presumption established in
14 24 this paragraph shall not apply.

14 25 Sec. 23. Section 97B.50A, subsection 2, paragraph d, Code
14 26 Supplement 2003, is amended to read as follows:

14 27 d. Upon retirement for an in-service disability as
14 28 provided by this subsection, a member shall have the option to
14 29 receive a monthly in-service disability retirement allowance
14 30 calculated under this subsection or a monthly retirement
14 31 allowance as provided in section 97B.49A, 97B.49B, 97B.49C,
14 32 97B.49D, or 97B.49G, as applicable, that the member would
14 33 receive if the member had attained fifty-five years of age.
14 34 The monthly in-service disability allowance calculated under
14 35 this subsection shall consist of an allowance equal to one=
15 1 twelfth of sixty percent of the member's ~~three-year average~~
~~15 2 covered wage~~ final average salary or its actuarial equivalent
15 3 as provided under section 97B.51.

15 4 Sec. 24. Section 97B.50A, subsection 3, paragraph c, Code
15 5 Supplement 2003, is amended to read as follows:

15 6 c. Upon retirement for an ordinary disability as provided
15 7 by this subsection, a member shall receive the greater of a
15 8 monthly ordinary disability retirement allowance calculated
15 9 under this subsection or a monthly retirement allowance as
15 10 provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or
15 11 97B.49G, as applicable. The monthly ordinary disability
15 12 allowance calculated under this subsection shall consist of an
15 13 allowance equal to one-twelfth of fifty percent of the
15 14 member's ~~three-year average covered wage~~ final average salary
15 15 or its actuarial equivalent as provided under section 97B.51.

15 16 Sec. 25. Section 97B.52, subsection 1, paragraph a,
15 17 subparagraph (3), Code Supplement 2003, is amended to read as
15 18 follows:

15 19 (3) For service as a sheriff, ~~or deputy sheriff, or~~
~~15 20 airport fire fighter~~, as provided in section 97B.49C, the
15 21 applicable denominator is twenty-two.

15 22 Sec. 26. Section 97B.52A, subsection 1, paragraph c, Code
15 23 Supplement 2003, is amended to read as follows:

15 24 c. For a member whose first month of entitlement is July
15 25 2000 or later, the member does not return to any employment
15 26 with a covered employer until the member has qualified for at
15 27 least one calendar month of retirement benefits, and the
15 28 member does not return to covered employment until the member
15 29 has qualified for no fewer than four calendar months of
15 30 retirement benefits. For purposes of this paragraph,
15 31 effective July 1, 2000, any employment with a covered employer
15 32 does not include employment as an elective official or member
15 33 of the general assembly if the member is not covered under
15 34 this chapter for that employment. For purposes of this
~~15 35 paragraph, covered employment does not include employment by a~~
~~16 1 public hospital as defined in section 249I.3.~~

16 2 Sec. 27. Section 256.7, Code Supplement 2003, is amended
16 3 by adding the following new subsection:

16 4 NEW SUBSECTION. 26. By July 1, 2005, provide for the
16 5 establishment of an eligible alternative retirement benefits
16 6 system for elementary and secondary school teachers employed
16 7 by a school district or area education agency consistent with
16 8 the requirements of section 294.17.

16 9 Sec. 28. NEW SECTION. 294.17 ELIGIBLE ALTERNATIVE
16 10 PENSION AND ANNUITY RETIREMENT SYSTEM.

16 11 1. The state board of education shall establish an
16 12 eligible alternative pension and annuity retirement system,
16 13 hereafter called the "retirement system", effective July 1,
16 14 2005, for elementary and secondary school teachers employed by

16 15 a school district or area education agency pursuant to the
16 16 requirements of this section. The state board of education
16 17 shall be the plan sponsor of the retirement system and shall
16 18 file an application for a favorable determination letter for
16 19 the retirement system with the internal revenue service.
16 20 2. The state board of education shall select a provider of
16 21 the retirement system that is a financial institution capable
16 22 of providing bundled services for the retirement system,
16 23 including, but not limited to, administration, investment
16 24 management, employee education, and recordkeeping. In
16 25 selecting a provider, the state board of education shall place
16 26 primary emphasis on the reasonableness of services in relation
16 27 to cost, the ability and experience of the provider in
16 28 providing bundled retirement services to the educational
16 29 community, the financial stability of the provider, and the
16 30 ability of the provider to provide services as required by
16 31 this section.

16 32 3. To be an eligible alternative retirement benefits
16 33 system, the retirement system shall meet the following
16 34 requirements:

16 35 a. The retirement system shall be an employer-sponsored
17 1 defined contribution plan requiring mandatory employer
17 2 contributions that meet the requirements of section 401(a) of
17 3 the Internal Revenue Code.

17 4 b. The employer's and employee's annual contribution in
17 5 dollars under an eligible alternative retirement benefits
17 6 system described in this section shall equal, but not exceed,
17 7 the annual contribution in dollars which the employer and
17 8 employee would contribute if the employee had elected to
17 9 remain an active member pursuant to the Iowa public employees'
17 10 retirement system, as set forth in section 97B.11.
17 11 Contributions under the retirement system shall be treated in
17 12 the same manner as contributions under the Iowa public
17 13 employees' retirement system are treated pursuant to section
17 14 97B.11A.

17 15 c. Employer and employee contributions under the
17 16 retirement system shall be fully vested immediately.

17 17 d. Upon termination of employment as an elementary or
17 18 secondary school teacher employed by a school district or area
17 19 education agency, the teacher shall be eligible to receive a
17 20 benefit payable in at least any of the following forms:

17 21 (1) Payment of all or part of the teacher's account
17 22 balance in the retirement system in a lump sum.

17 23 (2) Payment based on the teacher's account balance in the
17 24 retirement system in monthly, quarterly, or annual
17 25 installments over a fixed reasonable period of time, not
17 26 exceeding the life expectancy of the teacher and the teacher's
17 27 beneficiary, if applicable.

17 28 (3) Payment based on the teacher's account balance in the
17 29 form of a single life or joint life and survivorship annuity.

17 30 4. Persons employed by a school district or area education
17 31 agency as an elementary or secondary school teacher on or
17 32 after July 1, 2005, may elect coverage under the retirement
17 33 system established in this section in lieu of coverage under
17 34 the Iowa public employees' retirement system, pursuant to the
17 35 requirements of section 97B.42.

18 1 Sec. 29. Section 347.14, Code 2003, is amended by adding
18 2 the following new subsection:

18 3 NEW SUBSECTION. 17. Provide an eligible alternative
18 4 retirement benefits system offered through the county hospital
18 5 pursuant to this subsection which is issued by or through an
18 6 insurance company authorized to issue annuity contracts in
18 7 this state for persons employed by the county hospital in lieu
18 8 of coverage under the Iowa public employees' retirement
18 9 system. For purposes of this paragraph, "eligible alternative
18 10 retirement benefits system" means an employer-sponsored
18 11 primary pension plan requiring mandatory employer
18 12 contributions that meets the requirements of section 401(a),
18 13 401(k), 403(a), or 403(b) of the Internal Revenue Code.

18 14 Sec. 30. Section 392.6, Code Supplement 2003, is amended
18 15 by adding the following new unnumbered paragraph:

18 16 NEW UNNUMBERED PARAGRAPH. The board of trustees may
18 17 provide an eligible alternative retirement benefits system
18 18 offered through the city hospital pursuant to this paragraph
18 19 which is issued by or through an insurance company authorized
18 20 to issue annuity contracts in this state for persons employed
18 21 by the city hospital in lieu of coverage under the Iowa public
18 22 employees' retirement system. For purposes of this paragraph,
18 23 "eligible alternative retirement benefits system" means an
18 24 employer-sponsored primary pension plan requiring mandatory
18 25 employer contributions that meets the requirements of section

18 26 401(a), 401(k), 403(a), or 403(b) of the Internal Revenue
18 27 Code.

18 28 Sec. 31. Section 411.6, subsection 7, paragraph c, Code
18 29 2003, is amended to read as follows:

18 30 c. Should a disability beneficiary under age fifty-five be
18 31 employed in a public safety occupation, the disability
18 32 beneficiary's retirement allowance shall cease.
18 33 Notwithstanding any provision of this chapter to the contrary,
18 34 if a disability beneficiary is employed in a public safety
18 35 occupation that would otherwise constitute membership service,
19 1 the disability beneficiary shall not become a member of the
19 2 system. For purposes of this paragraph, "public safety
19 3 occupation" means a peace officer, as defined in section
19 4 97A.1; a protection occupation, as defined in section 97B.49B;
19 5 a sheriff, ~~or deputy sheriff, or airport fire fighter,~~ as
19 6 defined in section 97B.49C; and a police officer or fire
19 7 fighter as defined in section 411.1, who was not restored to
19 8 active service as provided by this subsection.

19 9 Sec. 32. Section 724.6, subsection 2, Code 2003, is
19 10 amended to read as follows:

19 11 2. Notwithstanding subsection 1, fire fighters, as defined
19 12 in section 411.1, subsection 9, airport fire fighters included
19 13 under section ~~97B.49C~~ 97B.49B, emergency rescue technicians,
19 14 and emergency medical care providers, as defined in section
19 15 147A.1, shall not, as a condition of employment, be required
19 16 to obtain a permit under this section. However, the
19 17 provisions of this subsection shall not apply to a person
19 18 designated as an arson investigator by the chief fire officer
19 19 of a political subdivision.

19 20 Sec. 33. EFFECTIVE DATE. The section of this Act amending
19 21 section 97B.52A, being deemed of immediate importance, takes
19 22 effect upon enactment.

19 23 DIVISION III

19 24 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

19 25 Sec. 34. Section 411.6, subsection 5, paragraph c, Code
19 26 2003, is amended to read as follows:

19 27 c. Disease under this section ~~shall mean~~ means heart
19 28 disease or any disease of the lungs or respiratory tract ~~and~~
~~19 29 shall be presumed to have been.~~ A rebuttable presumption
19 30 arises that the disease was contracted while on active duty as
19 31 a result of strain or the inhalation of noxious fumes, poison
19 32 or gases. However, if a person's membership in the system
19 33 first commenced on or after July 1, 1992, and the heart
19 34 disease or disease of the lungs or respiratory tract would not
19 35 exist, but for a medical condition that was known to exist on
20 1 the date that membership commenced, the presumption
20 2 established in this paragraph shall not apply.

20 3 Sec. 35. Section 411.6, subsection 12, paragraph d, Code
20 4 2003, is amended by striking the subsection.

20 5 Sec. 36. Section 411.8, subsection 1, paragraph b, Code
20 6 2003, is amended to read as follows:

20 7 b. On the basis of the rate of interest and of the
20 8 mortality, interest and other tables adopted by the system,
20 9 the actuary engaged by the system to make each valuation
20 10 required by this chapter, shall immediately after making such
20 11 valuation, determine the "normal contribution rate". Except
20 12 as otherwise provided in this lettered paragraph, the normal
20 13 contribution rate shall be the rate percent of the earnable
20 14 compensation of all members ~~obtained by deducting from the~~
~~20 15 total liabilities of the fund the amount of the funds in hand~~
~~20 16 to the credit of the fund and dividing the remainder by one~~
~~20 17 percent of the present value of the prospective future~~
~~20 18 compensation of all members that the actuary determines is~~
~~20 19 necessary, pursuant to the entry age normal actuarial cost~~
~~20 20 method, to amortize the unfunded actuarial liabilities of the~~
~~20 21 system within twenty-five years, as computed on the basis of~~
20 22 the rate of interest and of mortality and service tables
20 23 adopted, all reduced by the employee contribution made
20 24 pursuant to paragraph "f" of this subsection. ~~However, the~~
~~20 25 normal rate of contribution shall not be less than seventeen~~
~~20 26 percent.~~

20 27 Beginning July 1, 1996, and each fiscal year thereafter,
20 28 the normal contribution rate shall be the rate percent of the
20 29 earnable compensation of all members ~~obtained by deducting~~
~~20 30 from the total liabilities of the fund the amount of the funds~~
~~20 31 in hand to the credit of the fund and dividing the remainder~~
~~20 32 by one percent of the present value of the prospective future~~
~~20 33 compensation of all members that the actuary determines is~~
~~20 34 necessary, pursuant to the entry age normal actuarial cost~~
~~20 35 method, to amortize the unfunded actuarial liabilities of the~~
21 1 system within twenty-five years, as computed on the basis of

21 2 the rate of interest and of mortality and service tables
21 3 adopted, multiplied by six-tenths, ~~or seventeen percent,~~
~~21 4 whichever is greater.~~

21 5 The normal rate of contribution shall be determined by the
21 6 actuary after each valuation.

21 7 Sec. 37. Section 411.15, Code 2003, is amended to read as
21 8 follows:

21 9 411.15 HOSPITALIZATION AND MEDICAL ATTENTION.

21 10 Cities shall ~~provide pay, at no cost to members, for the~~
~~21 11 cost of any~~ hospital, nursing, and medical attention for the
21 12 members of the police and fire departments of the cities, when
21 13 injured while in the performance of their duties as members of
21 14 such department, and shall continue to provide hospital,
21 15 nursing, and medical attention for injuries or diseases
21 16 incurred while in the performance of their duties for members
21 17 receiving a retirement allowance under section 411.6,
21 18 subsection 6. Cities may ~~provide pay for the cost of the~~
21 19 hospital, nursing, and medical attention required by this
21 20 section through the purchase of insurance, by self-insuring
21 21 the obligation, or through payment of moneys into a local
21 22 government risk pool established for the purpose of covering
21 23 the costs associated with the requirements of this section.
21 24 The cost of ~~providing paying for the~~ hospital, nursing, and
21 25 medical attention required by this section shall be paid from
21 26 moneys held in a trust and agency fund established pursuant to
21 27 section 384.6, ~~or out of the appropriation for the department~~
~~21 28 to which the injured person belongs or belonged; provided that~~
~~21 29 any amounts received by the injured person under the workers'~~
~~21 30 compensation law of the state, or from any other source for~~
~~21 31 such specific purposes, shall be deducted from the amount paid~~
~~21 32 by the city under the provisions of this section.~~

21 33 Sec. 38. Section 411.20, unnumbered paragraph 2, Code
21 34 2003, is amended by striking the unnumbered paragraph.

21 35 Sec. 39. Section 411.36, subsection 1, paragraph c, Code
22 1 2003, is amended to read as follows:

22 2 c. A city treasurer, city financial officer, or city clerk
22 3 involved with the financial matters of the city from four
22 4 participating cities, one of whom is from a city having a
22 5 population of less than ~~forty~~ thirty thousand, and three of
22 6 whom are from cities having a population of ~~forty~~ thirty
22 7 thousand or more. The members authorized pursuant to this
22 8 paragraph shall be appointed by the governing body of the Iowa
22 9 league of cities.

22 10 Sec. 40. Section 411.38, subsection 1, paragraph b,
22 11 unnumbered paragraph 1, Code 2003, is amended to read as
22 12 follows:

22 13 Transfer from each terminated city fire or police
22 14 retirement system to the statewide system amounts sufficient
22 15 to cover the accrued liabilities of that terminated system as
22 16 determined by the actuary of the statewide system. The
22 17 actuary of the statewide system shall redetermine the accrued
22 18 liabilities of the terminated systems as necessary to take
22 19 into account additional amounts payable by the city which are
22 20 attributable to errors or omissions which occurred prior to
22 21 January 1, 1992, or to matters pending as of January 1, 1992.
22 22 If the actuary of the statewide system determines that the
22 23 assets transferred by a terminated system are insufficient to
22 24 fully fund the accrued liabilities of the terminated system as
22 25 determined by the actuary as of January 1, 1992, the
22 26 participating city shall pay to the statewide system an amount
22 27 equal to the unfunded liability plus interest for the period
22 28 beginning January 1, 1992, and ending with the date of payment
22 29 or the date of entry into an amortization agreement pursuant
22 30 to this section. Interest on the unfunded liability shall be
22 31 computed at a rate equal to the greater of the actuarial
22 32 interest rate assumption on investments of the moneys in the
22 33 fund or the actual investment earnings of the fund for the
22 34 applicable calendar year. However, for unfunded liabilities
22 35 discovered by the system on or after January 1, 2003, the

23 1 participating city shall not be charged interest but shall
23 2 only pay an amount equal to the unfunded liability. The

23 3 participating city may enter into an agreement with the
23 4 statewide system to make additional annual contributions
23 5 sufficient to amortize the unfunded accrued liability of the
23 6 terminated system. The terms of an amortization agreement
23 7 shall be based upon the recommendation of the actuary of the
23 8 statewide system, and the agreement shall do each of the
23 9 following:

23 10 Sec. 41. EFFECTIVE DATE == APPLICABILITY.

23 11 1. The sections of this Act amending Code section 411.8,
23 12 subsection 1, and section 411.20, being deemed of immediate

23 13 importance, take effect upon enactment and shall be applicable
23 14 to contributions required to be made to the system on or after
23 15 July 1, 2004.

23 16 2. The section of this Act amending Code section 411.38,
23 17 subsection 1, being deemed of immediate importance, takes
23 18 effect upon enactment and is retroactively applicable to
23 19 January 1, 2003, and is applicable on and after that date.

23 20 DIVISION IV
23 21 JUDICIAL RETIREMENT SYSTEM

23 22 Sec. 42. Section 602.9104, Code Supplement 2003, is
23 23 amended to read as follows:

23 24 602.9104 DEDUCTIONS FROM JUDGES' SALARIES == CONTRIBUTIONS
23 25 BY STATE.

23 26 1. a. A judge to whom this article applies shall be paid
23 27 an amount equal to ~~ninety-five percent~~ of the basic salary of
23 28 the judge as set by the general assembly. ~~An~~ minus an amount
23 29 ~~equal to five percent of the basic salary of the judge as set~~
23 30 ~~by the general assembly is designated as the judge's required~~
23 31 ~~contribution to the judicial retirement fund, and. The amount~~
23 32 ~~designated as the judge's required contribution shall be paid~~
23 33 by the state in the manner provided in subsection 2.

23 34 b. ~~The state shall contribute annually to the judicial~~
23 35 ~~retirement fund an amount equal to the state's required~~
24 1 ~~contribution for all judges covered under this article. The~~
24 2 ~~state's required contribution shall be appropriated directly~~
24 3 ~~to the judicial retirement fund.~~

24 4 2. ~~The amount designated in subsection 1 as the judge's~~
24 5 ~~required contribution to the judicial retirement fund shall be~~
24 6 ~~paid by the department of administrative services from the~~
24 7 ~~general fund of the state to the court administrator for~~
24 8 ~~deposit with the treasurer of state to the credit of the~~
24 9 ~~judicial retirement fund. Moneys in the fund are appropriated~~
24 10 ~~for the payment of annuities, refunds, and allowances provided~~
24 11 ~~by this article, except that the amount of the appropriations~~
24 12 ~~affecting payment of annuities, refunds, and allowances to~~
24 13 ~~judges of the municipal and superior court is limited to that~~
24 14 ~~part of the fund accumulated for their benefit as provided in~~
24 15 ~~this article. The corpus and income of the fund shall be used~~
24 16 ~~only for the exclusive benefit of the judges covered under~~
24 17 ~~this article, their survivors, or an alternate payee who is~~
24 18 ~~assigned benefits pursuant to a domestic relations order.~~

24 19 3. A judge covered under this article is deemed to consent
24 20 to the reduction in basic salary as provided in subsection 1.

24 21 4. ~~a.~~ As used in this ~~subsection~~ section, unless the
24 22 context otherwise requires:

24 23 ~~(1)~~ a. "Actuarial valuation" means an actuarial valuation
24 24 of the judicial retirement system or an annual actuarial
24 25 update of an actuarial valuation, as required pursuant to
24 26 section 602.9116.

24 27 ~~(2)~~ b. "Fully funded status" means that the most recent
24 28 actuarial valuation reflects that, using the projected unit
24 29 credit method in accordance with generally recognized and
24 30 accepted actuarial principles and practices set forth by the
24 31 American academy of actuaries, the funded status of the system
24 32 is at least one hundred percent.

24 33 c. "Judge's required contribution" means an amount equal
24 34 to the basic salary of the judge multiplied by the following
24 35 applicable percentage:

25 1 (1) For the fiscal year beginning July 1, 2004, and ending
25 2 June 30, 2005, five percent.

25 3 (2) For the fiscal year beginning July 1, 2005, and ending
25 4 June 30, 2006, seven and two-tenths percent.

25 5 (3) For the fiscal year beginning July 1, 2006, and ending
25 6 June 30, 2007, ten percent.

25 7 (4) For the fiscal year beginning July 1, 2007, and for
25 8 each subsequent fiscal year until the system attains fully
25 9 funded status based upon the benefits provided for judges
25 10 through the judicial retirement system as of July 1, 2001,
25 11 eleven and one-half percent.

25 12 (5) Commencing with the first fiscal year in which the
25 13 system attains fully funded status, based upon the benefits
25 14 provided for judges through the judicial retirement system as
25 15 of July 1, 2001, and for each subsequent fiscal year, the
25 16 percentage rate equal to forty percent of the required
25 17 contribution rate.

25 18 ~~(3)~~ d. "Required contribution rate" means that percentage
25 19 of the basic salary of all judges covered under this article
25 20 which, ~~in addition to the judge's contribution established in~~
25 21 ~~subsection 1, the actuary of the system determines is~~
25 22 ~~necessary to maintain fully funded status.~~

25 23 e. "State's required contribution" means an amount equal

25 24 to the basic salary of all judges covered under this article
25 25 multiplied by the following applicable percentage:

25 26 (1) For the fiscal year beginning July 1, 2004, and ending
25 27 June 30, 2005, twenty-three and seven-tenths percent.

25 28 (2) For the fiscal year beginning July 1, 2005, and ending
25 29 June 30, 2006, twenty-one and one-half percent.

25 30 (3) For the fiscal year beginning July 1, 2006, and ending
25 31 June 30, 2007, eighteen and seven-tenths percent.

25 32 (4) For the fiscal year beginning July 1, 2007, and for
25 33 each subsequent fiscal year until the system attains fully
25 34 funded status based upon the benefits provided for judges
25 35 through the judicial retirement system as of July 1, 2001,
26 1 seventeen and two-tenths percent.

26 2 (5) Commencing with the first fiscal year in which the
26 3 system attains fully funded status, based upon the benefits
26 4 provided for judges through the judicial retirement system as
26 5 of July 1, 2001, and for each subsequent fiscal year, the
26 6 percentage rate equal to sixty percent of the required
26 7 contribution rate.

26 8 b. Effective with the fiscal year commencing July 1, 1994,
26 9 and for each subsequent fiscal year until the system attains
26 10 fully funded status, based upon the benefits provided for
26 11 judges through the judicial retirement system as of July 1,
26 12 2001, the state shall contribute annually to the judicial
26 13 retirement fund an amount equal to at least twenty-three and
26 14 seven-tenths percent of the basic salary of all judges covered
26 15 under this article. Commencing with the first fiscal year in
26 16 which the system attains fully funded status, based upon the
26 17 benefits provided for judges through the judicial retirement
26 18 system as of July 1, 2001, and for each subsequent fiscal
26 19 year, the state shall contribute to the judicial retirement
26 20 fund the required contribution rate. The state's contribution
26 21 shall be appropriated directly to the judicial retirement
26 22 fund.

26 23 Sec. 43. Section 602.9106, Code 2003, is amended to read
26 24 as follows:

26 25 602.9106 RETIREMENT.

26 26 Any person who shall have become separated from service as
26 27 a judge of any of the courts included in this article and who
26 28 has had an aggregate of at least ~~six~~ four years of service as
26 29 a judge of one or more of such courts and shall have attained
26 30 the age of sixty-five years or who has had twenty-five years
26 31 of consecutive service as a judge of one or more of said
26 32 courts, and who shall have otherwise qualified as provided in
26 33 this article, shall be entitled to an annuity as hereinafter
26 34 provided.

26 35 Sec. 44. Section 602.9107, subsection 1, paragraph a, Code
27 1 2003, is amended to read as follows:

27 2 a. (1) The annual annuity of a judge under this system is
27 3 an amount equal to three ~~and one-half~~ percent of the judge's
27 4 average annual basic salary for the judge's highest three
27 5 years as a judge of one or more of the courts included in this
27 6 article, multiplied by the judge's years of service as a judge
27 7 of one or more of the courts for which contributions were made
27 8 to the system. However, an annual annuity shall not exceed a
27 9 amount equal to a specified percentage of the highest basic
27 10 annual salary which the judge is receiving or had received as
27 11 of the time the judge became separated from service.
27 12 Forfeitures shall not be used to increase the annuities a
27 13 judge or survivor would otherwise receive under the system.

27 14 (2) For each judge who retires and receives an annuity on
27 15 or after July 1, 2004, and who has completed more than twenty
27 16 years of service, the annual annuity of a judge is an amount
27 17 equal to seventy percent of the judge's average annual basic
27 18 salary for the judge's highest three years as a judge of one
27 19 or more of the courts included in this article, plus an
27 20 additional one-fourth of one percentage point for each
27 21 additional calendar quarter of eligible service beyond twenty
27 22 years of service, not to exceed a total of five additional
27 23 percentage points.

27 24 Sec. 45. Section 602.9107, subsection 1, paragraph b,
27 25 subparagraph (4), Code 2003, is amended to read as follows:

27 26 (4) For judges who retire and receive an annuity on or
27 27 after July 1, 2001, ~~but before July 1, 2004~~, the specified
27 28 percentage shall be sixty percent.

27 29 Sec. 46. Section 602.9107, subsection 1, paragraph b, Code
27 30 2003, is amended by adding the following new subparagraph:

27 31 NEW SUBPARAGRAPH. (5) For judges who retire and receive
27 32 an annuity on or after July 1, 2004, the specified percentage
27 33 shall be seventy percent.

27 34 Sec. 47. Section 602.9107C, subsection 1, Code 2003, is

27 35 amended to read as follows:

28 1 1. A judge under this system who has at least ~~six~~ four
28 2 years of service as a judge of any of the courts included in
28 3 this article and who was a member of the Iowa public
28 4 employees' retirement system as provided in chapter 97B, but
28 5 who was not retired under that system, upon submitting
28 6 verification of membership and service in the Iowa public
28 7 employees' retirement system to the court administrator,
28 8 including proof that the judge has no further claim upon a
28 9 retirement benefit from that public system, may make
28 10 contributions as provided by this section to the system either
28 11 for the entire period of service in the other public system,
28 12 or for partial service in the other public system in
28 13 increments of one or more calendar quarters, and receive
28 14 credit for that service under the system.

28 15 Sec. 48. Section 602.9108, Code 2003, is amended to read
28 16 as follows:

28 17 602.9108 INDIVIDUAL ACCOUNTS == REFUNDING.

28 18 The amount designated as the judge's required contribution
28 19 to the judicial retirement fund in section 602.9104,
28 20 ~~subsection 1,~~ and all amounts paid into the fund by a judge
28 21 shall be credited to the individual account of the judge. If
28 22 a judge covered under this article becomes separated from
28 23 service as a judge before the judge completes an aggregate of
28 24 ~~six~~ four years of service as a judge of one or more of the
28 25 courts, the total amount in the judge's individual account
28 26 shall be returned to the judge or the judge's legal
28 27 representatives within one year of the separation. If a
28 28 judge, who is covered under this article and who has completed
28 29 an aggregate of ~~six~~ four years or more of service as a judge
28 30 of one or more of the courts, dies before retirement, without
28 31 a survivor, the total amount in the judge's individual account
28 32 shall be paid in one sum to the judge's legal representatives
28 33 within one year of the judge's death. If an annuitant under
28 34 this section dies without a survivor, and without having
28 35 received in annuities an amount equal to the total amount in
29 1 the judge's individual account at the time of separation from
29 2 service, the amount remaining to the annuitant's credit shall
29 3 be paid in one sum to the annuitant's legal representatives
29 4 within one year of the annuitant's death.

29 5 Sec. 49. Section 602.9112, Code 2003, is amended to read
29 6 as follows:

29 7 602.9112 VOLUNTARY RETIREMENT FOR DISABILITY.

29 8 Any judge of the supreme, district or municipal court,
29 9 including a district associate judge, or a judge of the court
29 10 of appeals, who shall have served as a judge of one or more of
29 11 such courts for a period of ~~six~~ four years in the aggregate
29 12 and who believes the judge has become permanently
29 13 incapacitated, physically or mentally, to perform the duties
29 14 of the judge's office may personally or by the judge's next
29 15 friend or guardian file with the court administrator a written
29 16 application for retirement. The application shall be filed in
29 17 duplicate and accompanied by an affidavit as to the duration
29 18 and particulars of the judge's service and the nature of the
29 19 judge's incapacity. The court administrator shall forthwith
29 20 transmit one copy of the application and affidavit to the
29 21 chief justice who shall request the attorney general in
29 22 writing to cause an investigation to be made relative to the
29 23 claimed incapacity and report back the results thereof in
29 24 writing. If the chief justice finds from the report of the
29 25 attorney general that the applicant is permanently
29 26 incapacitated, physically or mentally, to perform the duties
29 27 of the applicant's office the chief justice shall by
29 28 endorsement thereon declare the applicant retired, and the
29 29 office vacant, and shall file the report in the office of the
29 30 court administrator, and a copy in the office of the secretary
29 31 of state. From the date of such filing the applicant shall be
29 32 deemed retired from the applicant's office and entitled to the
29 33 benefits of this article to the same extent as if the
29 34 applicant had retired under the provisions of section
29 35 602.9106.

30 1 Sec. 50. Section 602.9116, subsection 1, Code 2003, is
30 2 amended to read as follows:

30 3 1. The court administrator shall cause an actuarial
30 4 valuation to be made of the assets and liabilities of the
30 5 judicial retirement fund at least once every four years
30 6 commencing with the fiscal year beginning July 1, 1981. For
30 7 each fiscal year in which an actuarial valuation is not
30 8 conducted, the court administrator shall cause an annual
30 9 actuarial update to be prepared for the purpose of determining
30 10 the adequacy of the contribution rates specified in section

30 11 602.9104, ~~subsection 4~~. The court administrator shall adopt
30 12 mortality tables and other necessary factors for use in the
30 13 actuarial calculations required for the valuation upon the
30 14 recommendation of the actuary. Following the actuarial
30 15 valuation or annual actuarial update, the court administrator
30 16 shall determine the condition of the system and shall report
30 17 its findings and recommendations to the general assembly.
30 18 Sec. 51. Section 602.11115, subsection 3, Code Supplement
30 19 2003, is amended to read as follows:
30 20 3. To commence coverage under the judicial retirement
30 21 system pursuant to article 9, part 1, retroactive to the date
30 22 the district associate judge became a district associate judge
30 23 or a full-time judicial magistrate, whichever was earlier, and
30 24 to cease to be a member of the Iowa public employees'
30 25 retirement system, effective July 1, 1984. The department of
30 26 administrative services shall transmit by January 1, 1985, to
30 27 the state court administrator for deposit in the judicial
30 28 retirement fund the district associate judge's accumulated
30 29 contributions as defined in section 97B.1A, subsection 2 for
30 30 the judge's period of membership service as a district
30 31 associate judge or full-time judicial magistrate, or both.
30 32 Before July 1, 1986, or at retirement previous to that date, a
30 33 district associate judge who becomes a member of the judicial
30 34 retirement system pursuant to this subsection shall contribute
30 35 to the judicial retirement fund an amount equal to the
31 1 difference between four percent of the district associate
31 2 judge's total basic salary for the entire period of service
31 3 before July 1, 1984, as a district associate judge or judicial
31 4 magistrate, or both, and the district associate judge's
31 5 accumulated contributions transmitted by the department of
31 6 administrative services to the state court administrator
31 7 pursuant to this subsection. The district associate judge's
31 8 contribution shall not be limited to the amount specified in
31 9 section 602.9104, subsection 1, Code 1985. The state court
31 10 administrator shall credit a district associate judge with
31 11 service under the judicial retirement system for the period of
31 12 service for which contributions at the four percent level are
31 13 made.

31 14 Sec. 52. Section 602.11116, subsection 3, Code Supplement
31 15 2003, is amended to read as follows:
31 16 3. To commence membership under the judicial retirement
31 17 system pursuant to article 9, part 1, retroactive to the date
31 18 the associate juvenile judge or associate probate judge became
31 19 an associate juvenile judge or associate probate judge, and to
31 20 cease to be a member of the Iowa public employees' retirement
31 21 system, effective July 1, 1998. The department of
31 22 administrative services shall transmit by January 1, 1999, to
31 23 the state court administrator for deposit in the judicial
31 24 retirement fund the associate juvenile judge's or associate
31 25 probate judge's accumulated contributions as defined in
31 26 section 97B.1A, subsection 2, for the judge's period of
31 27 membership service as an associate juvenile judge or associate
31 28 probate judge. Before July 1, 2000, or at retirement previous
31 29 to that date, an associate juvenile judge or associate probate
31 30 judge who becomes a member of the judicial retirement system
31 31 pursuant to this subsection shall contribute to the judicial
31 32 retirement fund an amount equal to the difference between four
31 33 percent of the associate juvenile judge's or associate probate
31 34 judge's total salary received for the entire period of service
31 35 before July 1, 1998, as an associate juvenile judge or
32 1 associate probate judge, and the associate juvenile judge's or
32 2 associate probate judge's accumulated contributions
32 3 transmitted by the department of administrative services to
32 4 the state court administrator pursuant to this subsection.
32 5 The associate juvenile judge's or associate probate judge's
32 6 contribution shall not be limited to the amount specified in
32 7 section 602.9104, subsection 1, Code 1999. The state court
32 8 administrator shall credit an associate juvenile judge or
32 9 associate probate judge with service under the judicial
32 10 retirement system for the period of service for which
32 11 contributions at the four percent level are made.

32 12 EXPLANATION

32 13 This bill makes numerous changes to public retirement
32 14 systems, including the public safety peace officers'
32 15 retirement, accident, and disability system, the Iowa public
32 16 employees' retirement system, the statewide fire and police
32 17 retirement system, and the judicial retirement system. The
32 18 bill may include a state mandate as defined in Code section
32 19 25B.3. The state mandate funding requirement in Code section
32 20 25B.2, however, does not apply to public employee retirement
32 21 systems. The changes to each public retirement system are as

32 22 follows:

32 23 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
32 24 ACCIDENT, AND DISABILITY SYSTEM (PORS)
32 25 Code section 97A.4 is amended to provide that a member of
32 26 PORS can have service credited under PORS for service in a
32 27 city fire and police retirement system operating under Code
32 28 chapter 411 prior to those systems' consolidation on January
32 29 1, 1992, if the person was not eligible to transfer that
32 30 service from the chapter 411 system to PORS.

32 31 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

32 32 The provisions of Code chapter 97B governing the
32 33 determination of a member's salary used in calculating a
32 34 retirement allowance are amended. The bill establishes that a
32 35 member's retirement allowance will be calculated based upon
33 1 the greater of the member's three-year average covered wage if
33 2 calculated on June 30, 2004, or the member's five-year average
33 3 covered wage. Currently, a member's retirement allowance is
33 4 calculated based upon the member's three-year average covered
33 5 wage.

33 6 Code section 97B.11, governing contributions to the
33 7 retirement fund, is amended. The bill increases, over a six=
33 8 year period beginning July 1, 2004, contributions to the
33 9 system from the employer and employee. Currently, the
33 10 employer rate is 5.75 percent and the employee rate is 3.7
33 11 percent of a member's covered wages. The bill increases the
33 12 employer rate to 6.2 percent for the fiscal year beginning
33 13 July 1, 2008, and to 6.7 percent for the fiscal year beginning
33 14 July 1, 2009. The bill increases the employee percentage by
33 15 .5 percent each fiscal year beginning July 1, 2004, until the
33 16 rate reaches 6.7 percent beginning July 1, 2009. Beginning
33 17 July 1, 2010, contributions are calculated based upon the
33 18 total required percentage rate with employees paying 50
33 19 percent and employers 50 percent of the required rate. The
33 20 bill provides that the total required percentage rate for a
33 21 fiscal year is the rate used in the prior year unless IPERS
33 22 determines that the rate should be modified. The bill
33 23 provides that if the total rate for the prior year is
33 24 insufficient to amortize the system's unfunded actuarial
33 25 liability within 30 years, the rate will increase to the
33 26 lesser of the rate needed to amortize the unfunded actuarial
33 27 liability in 30 years or one percentage point over the prior
33 28 year's total rate. On the other hand, the bill provides that
33 29 if the total rate for the prior year is sufficient to amortize
33 30 the system's unfunded actuarial liability in 10 years or less,
33 31 the rate will decrease to the greater of one percentage point
33 32 less than the prior year's total rate, or the rate equal to
33 33 the normal cost rate plus the greater of an additional .75
33 34 percent or such other percent as necessary to amortize any
33 35 unfunded liability of the system over 10 years.

34 1 Code sections 97B.42, 256.7, 347.14, 392.6, and new Code
34 2 section 294.17 provide for the establishment of alternative
34 3 retirement benefits to those provided under the Iowa public
34 4 employees' retirement system (IPERS) for teachers and
34 5 employees of municipal and county hospitals. For teachers,
34 6 the bill requires the state board of education to establish an
34 7 alternative pension and annuity retirement system for
34 8 elementary and secondary school teachers employed by a school
34 9 district or area education agency. The bill provides,
34 10 effective July 1, 2005, that current teachers, and teachers
34 11 hired on or after July 1, 2005, have the option to elect to be
34 12 covered under IPERS or the alternative retirement system
34 13 within a specified time period. The bill establishes the
34 14 requirements for the alternative plan for teachers, including
34 15 the required payment options following a participant's
34 16 retirement. The bill requires that the plan be an employer=
34 17 sponsored defined contribution plan and that the contributions
34 18 to the plan be the same as the annual contributions that would
34 19 have been made to IPERS if the employee elected to remain in
34 20 IPERS. The bill provides that employer and employee
34 21 contributions are fully vested immediately. The bill
34 22 establishes the criteria for selecting the provider of the
34 23 alternative retirement system. The bill also authorizes the
34 24 establishment of an alternative retirement system for
34 25 employees of city and county hospitals which shall be issued
34 26 by the hospital through an insurance company authorized to
34 27 issue annuity contracts in this state. A hospital is not
34 28 required to establish an alternative retirement system under
34 29 the bill. The bill provides, effective July 1, 2005, that
34 30 current hospital employees, and employees hired on or after
34 31 July 1, 2005, have the option to elect to be covered under
34 32 IPERS or the alternative retirement system if the hospital has

34 33 established one. An election to participate in IPERS or the
34 34 alternative retirement system is irrevocable as to the
34 35 employee. The bill requires that the plan be an employer=
35 1 sponsored defined contribution plan and that the contributions
35 2 to the plan be the same as the annual contributions that would
35 3 have been made to IPERS if the employee elected to remain in
35 4 IPERS.

35 5 Code section 97B.42A is amended to permit a city manager
35 6 who is employed as a city manager as of July 1, 2004, and who
35 7 has previously elected not to be covered under IPERS, to
35 8 become a member of IPERS by filing an election with IPERS by
35 9 August 31, 2004. The change permits a city manager who elects
35 10 coverage under IPERS to purchase service for time the person
35 11 was employed as a city manager but had elected out of IPERS
35 12 coverage.

35 13 Code sections 97B.49B and 97B.49C are amended to transfer
35 14 airport fire fighters employed by the military division of the
35 15 department of public defense from the sheriffs and deputy
35 16 sheriffs' category under IPERS to the protection occupation
35 17 category.

35 18 Code section 97B.49B is also amended to add merit system
35 19 personnel whose primary duty is providing security at Iowa
35 20 national guard facilities, and jailers and detention officers,
35 21 as members of a protection occupation for purposes of IPERS.

35 22 Code section 97B.49C, subsection 2, concerning the
35 23 calculation of a retirement allowance for sheriffs and deputy
35 24 sheriffs under IPERS, is amended to provide for retirement at
35 25 age 50 instead of age 55.

35 26 Code section 97B.49C, subsection 3, concerning the
35 27 calculation of contributions payable for the sheriffs'
35 28 category under IPERS, is amended to provide that the cost of
35 29 additional benefits provided for members covered under this
35 30 section shall be paid on a 50=50 basis by employee members and
35 31 employers. Under current law, the cost of additional benefits
35 32 is paid 60 percent by the employer and 40 percent by the
35 33 employee member.

35 34 Code section 97B.50, concerning the calculation of a
35 35 member's retirement allowance for an early retirement, is also
36 1 amended. Currently, a member's retirement allowance is
36 2 reduced by .25 percent for each month the member retires prior
36 3 to the member's normal retirement date. The bill provides
36 4 that the reduction for an early retirement shall be the lesser
36 5 of .25 percent for each month that July 2004 precedes the
36 6 member's normal retirement date, or the actuarial cost to the
36 7 system for each month that the member's early retirement date
36 8 precedes the member's normal retirement date.

36 9 Code section 97B.50A, concerning disability retirement for
36 10 certain special service members covered under IPERS, is
36 11 amended to provide that the presumption that heart disease or
36 12 disease of the lungs or respiratory tract is work related,
36 13 entitling the person to an accidental disability retirement
36 14 benefit, is rebuttable.

36 15 Code section 97B.52A, concerning bona fide retirement, is
36 16 amended to provide that a person who retires and receives a
36 17 retirement allowance under IPERS may return to covered
36 18 employment by a public hospital after having qualified for one
36 19 calendar month of retirement benefits and still receive
36 20 retirement benefits. Under current law, a person must wait
36 21 four months to return to employment covered by IPERS in order
36 22 to continue receiving a retirement allowance. This provision
36 23 takes effect upon enactment.

36 24 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

36 25 Code section 411.6, subsection 5, providing for the
36 26 establishment of an accidental disability benefit, is amended.
36 27 Under current law, heart disease or disease of the lungs or
36 28 respiratory tract is presumed to be work-related, entitling
36 29 the person to an accidental disability retirement benefit.
36 30 The bill provides that the presumption created is rebuttable.

36 31 Code section 411.6, subsection 12, is amended by striking
36 32 the provision that a person receiving a pension under the
36 33 system is ineligible to receive the annual readjustment of the
36 34 person's pension unless the retiree had served at least 22
36 35 years and had reached at least age 55 at the time the person
37 1 retired. The bill provides that the annual readjustment
37 2 applies to all retirees under the system.

37 3 Code section 411.8, concerning the method of financing the
37 4 retirement system, is amended. The bill changes the method by
37 5 which the system determines the normal contribution rate that
37 6 is used in determining the contribution rate of cities.
37 7 Current law provides that the rate shall be determined using
37 8 the aggregate cost actuarial method. The bill provides that

37 9 the system shall use the entry age normal actuarial cost
37 10 method to calculate a rate under that method that will
37 11 amortize the system's unfunded actuarial liabilities over 25
37 12 years. In addition, this section and section 411.20 are
37 13 amended to eliminate the cities' minimum 17 percent
37 14 contribution rate. The changes to this section and section
37 15 411.20 take effect upon enactment and apply to contributions
37 16 made to the system on or after July 1, 2004.

37 17 Code section 411.15, concerning hospitalization and medical
37 18 attention to members who are injured in the performance of
37 19 their duties, is amended. The bill provides that the cost of
37 20 medical attention shall be paid for by the city at no cost to
37 21 members. In addition, the bill requires that the cost of the
37 22 medical attention shall only be paid for out of the trust and
37 23 agency fund. Under current law, the cost of medical attention
37 24 can be paid from appropriations to the department to which the
37 25 injured person belongs and the cost of medical attention paid
37 26 by the city can be reduced by any amounts received from any
37 27 other source to pay for the medical attention.

37 28 Code section 411.36, concerning the membership of the board
37 29 of trustees of the four members representing cities, is
37 30 amended. Under current law, one of the four city finance
37 31 members shall come from a city under 40,000 and three shall
37 32 come from cities over 40,000. The bill changes this threshold
37 33 population to 30,000.

37 34 Code section 411.38, subsection 2, concerning the
37 35 obligation of cities to pay any unfunded liabilities owned as
38 1 of January 1, 1992, when the system was consolidated, is
38 2 amended. The bill provides that no interest shall be
38 3 collected on any unfunded liabilities discovered on or after
38 4 January 1, 2003. Under current law, the city would be
38 5 required to pay interest on this liability. This section
38 6 takes effect upon enactment and is retroactively applicable to
38 7 January 1, 2003.

38 8 JUDICIAL RETIREMENT SYSTEM

38 9 Code section 602.9104, concerning contributions by judges
38 10 and the state to the judicial retirement fund, is amended.
38 11 Under current law, judges pay 5 percent of their salary and
38 12 the state pays 23.7 percent of all judges' salary to the fund
38 13 until the fund becomes fully funded based upon the benefits
38 14 provided judges as of July 1, 2001. The bill provides for a
38 15 modification in the percentages of salary paid by judges and
38 16 the state each fiscal year beginning July 1, 2004. The bill
38 17 provides that judges will pay 5 percent of their salary for
38 18 the fiscal year beginning July 1, 2004, 7.2 percent of their
38 19 salary for the fiscal year beginning July 1, 2005, 10 percent
38 20 of their salary for the fiscal year beginning July 1, 2006,
38 21 and 11.5 percent of their salary for the fiscal year beginning
38 22 July 1, 2007, and each fiscal year thereafter, until the fund
38 23 becomes fully funded based upon the benefits provided judges
38 24 as of July 1, 2001. Once the fund becomes fully funded,
38 25 judges will pay 40 percent of the percentage of pay necessary
38 26 to keep the fund fully funded. As for the state's
38 27 contribution, the bill provides that the state will pay 23.7
38 28 percent of total pay for the fiscal year beginning July 1,
38 29 2004, 21.5 percent of total pay for the fiscal year beginning
38 30 July 1, 2005, 18.7 percent of total pay for the fiscal year
38 31 beginning July 1, 2006, and 17.2 percent of total pay for the
38 32 fiscal year beginning July 1, 2007, and each fiscal year
38 33 thereafter, until the fund becomes fully funded based upon the
38 34 benefits provided judges as of July 1, 2001. Once the fund
38 35 becomes fully funded, the state will pay 60 percent of the
39 1 percentage of total pay necessary to keep the fund fully
39 2 funded.

39 3 Code section 602.9107, concerning the calculation of a
39 4 retirement annuity under the judicial retirement system, is
39 5 amended. The bill increases the percentage multiplier used in
39 6 calculating a judge's retirement annuity from 3 percent to 3.5
39 7 percent for each year of service under the retirement system
39 8 and increases the maximum percentage of the judge's final
39 9 average salary used in calculating an annuity from 60 percent
39 10 to 70 percent for judges with 20 years of service or less who
39 11 retire on or after July 1, 2004. The bill also provides that
39 12 a judge with more than 20 years of service who retires on or
39 13 after July 1, 2004, can receive an additional .25 percent of
39 14 their final average salary for each quarter year of service
39 15 over 20 years, up to a maximum of five additional percentage
39 16 points.

39 17 The bill also reduces the vesting requirement for a judge
39 18 under the judicial retirement system from six years to four
39 19 years. Once a judge vests under the system, the judge is

39 20 eligible to obtain a retirement annuity. A judge who leaves
39 21 service prior to vesting receives only the contributions the
39 22 judge made to the system during that service. Covered judges
39 23 under the system generally include all appellate, district,
39 24 and district associate judges. The provisions of the bill
39 25 reducing the vesting requirement take effect upon enactment.
39 26 LSB 5334YC 80
39 27 ec/sh/8